

# The Impact of Instagram on the Development of Small and Medium-Sized Businesses in Ukraine

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## Abstract

Small and medium-sized enterprises (SMEs) in Ukraine are evolving in a highly competitive environment, necessitating the pursuit of innovative and efficient tools for product promotion and the expansion of consumer and client bases. Instagram has emerged as a robust platform for marketing goods and services. In light of the relevance of this topic, the present study aims to synthesize contemporary trends in SMEs' utilization of Instagram for marketing. The research employs a correlation-regression analysis method, demonstrating a significant relationship between the efforts of social media marketing (SMM) specialists and the effectiveness of product promotion on social media, as indicated by follower growth. Analyzing social media usage patterns reveals that these platforms, frequently used for communication and attention capture, present opportunities to create additional advertising content to inform consumers about the producer's product range. The study finds that the most effective tools in designing and executing an Instagram-based SMM strategy include targeted advertising, influencer collaborations, and advertisements on popular public accounts. A gradual and phased implementation of these strategies is shown to enhance the market positioning of SMEs significantly. Key challenges in developing product promotion systems through social media include ensuring data protection and creating an effective marketing strategy, particularly for businesses that still need a physical presence.

**Keywords:** Digital Marketing, Social Media Strategies, Branding, Entrepreneurial Growth, Customer Engagement.

## Introduction

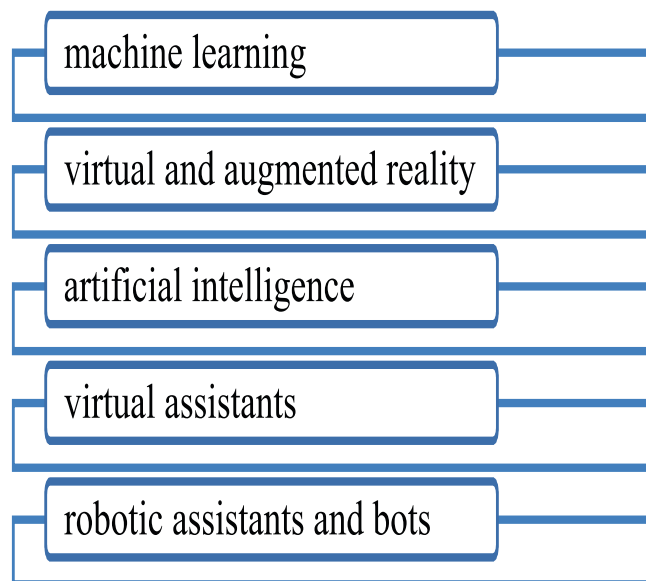
The rapid evolution of social media has introduced new tools for product promotion, which is particularly significant for small and medium-sized enterprises (SMEs). A new marketing discipline—Social Media Marketing (SMM)—has emerged in this context. SMM is among the fastest-growing marketing fields (Lui et al., 2022; Sermuksnyte-Alesiuniene et al., 2021; Shahid et al., 2022), driven by the continuous transformation of algorithmic processes, user interfaces, and the

expanding capabilities of social media platforms. Given the rapid obsolescence of tools and techniques in this area, ongoing research is essential. Instagram has been the leading platform for product promotion and sales for several years within the social media landscape (Sanakuiev et al., 2022; Kholiavko et al., 2021; Bika et al., 2022).

According to the European Commission (Digital Economy and Society Index 2023, 2024), the application of digital technologies enhances the productivity of businesses by an average of 25%. This improvement is attributed to the implementation of complex information systems, as well as the integration of emerging technologies such as the Internet of Things, artificial intelligence, and mobile applications. Over the past decade, the incorporation of digital technologies into the business processes of SMEs has been steadily increasing (Schuh et al., 2020; Troian et al., 2023; Tylchik et al., 2018). With the growth of the internet and the IT sector, companies continue to seek innovative tools to enhance customer service and optimise operational efficiency.

The COVID-19 pandemic and large-scale military conflict in Ukraine have accelerated the shift towards digitising information and management practices. The benefits of "smart" devices, automated data processing software, interactive audience engagement tools, and other IT solutions for businesses have become increasingly evident (Bulturbayevich, 2023; Hryhorash et al., 2022; Kholiavko et al., 2021). Consumers have grown accustomed to using smartphones and remote tools for ordering and purchasing, compelling small and medium-sized enterprises (SMEs) to offer convenient purchasing options to enhance customer trust and loyalty. Digitisation represents the initial phase of adopting digital technologies, while digital transformation constitutes the subsequent stage of business evolution. IT development entails a comprehensive transformation of internal management structures through integrating emerging technologies, including the potential use of such components (Schunk et al., 2020; Vainola, 2024; Rybalchenko et al., 2022).

**Figure 1. Components of technologies that can be used to promote products in the current e-commerce environment**



Source: Compiled on the basis of Sanakuiev et al. (2022); Kholiavko et al. (2021); Bika et al. (2022)

When thoughtfully implemented, digital tools can fundamentally alter business operations and customer interactions, mainly through social media platforms like Instagram. Digital transformation brings profound changes to companies, including a complete restructuring of internal business culture and approaches to customer engagement. Integrating IT tools has enhanced employee productivity and initiative (Krylov et al., 2022; Redjeki & Affandi, 2021). Given the rapid pace of technological advancement, all sectors are anticipated to transform in the coming years, with "smart" devices becoming an integral part of daily life.

However, the digitisation of SMEs presents unique challenges that impede development and contribute to internal crises. These challenges differ significantly from those faced by larger enterprises and corporations. Table 1 provides a summary of the factors contributing to delays in the digital development of SMEs.

**Table 1. Overview of Factors Inhibiting the Advancement of SMEs in Social Media Promotion**

<b>The factors hindering the digital development of small and medium-sized enterprises</b>	<b>Description</b>
Lack of an effective management system	Without an effective management system, small and medium-sized enterprises (SMEs) encounter significant challenges in organising business processes, tracking and analysing data, exercising financial control, and managing human resources. These deficiencies result in suboptimal resource allocation, loss of customers, and stagnation in business growth and development.
Insufficient online presence limits the company's potential	Small and medium-sized enterprises (SMEs) are closer to the end consumer than large corporations. Nevertheless, many SMEs fail to fully recognise or effectively leverage critical tools such as search engine optimisation (SEO), e-commerce platforms, social media, influencer partnerships, media channels, and automated systems such as bots for business optimisation and customer engagement.
Limited scalability opportunities	A lack of funding and skilled personnel can hinder the adoption of new technologies, the launch of new products, or the opening of new branches, thereby hindering growth and development.
Vulnerability to cybersecurity threats and technological failures	The most vulnerable aspect of information systems for small enterprises is cybersecurity. The responsibility for fraudulent actions is lower here than with large organisations' software breaches. Therefore, implementing security measures that align with the company's growth and development helps prevent unforeseen failures and reduces the likelihood of operational downtime.
Decline in sales	Decreased sales volumes may result from changes in consumer behaviour, rising costs of components and raw materials, and inflation. In times of uncertainty, the planning horizon shortens for both consumers and businesses: consumers delay significant purchases and reassess their priorities, while businesses find it harder to attract investors and develop business strategies. Consequently, there is a growing need to employ more sophisticated tools for planning production and sales volumes.
Inadequate capacity for significant investments, custom implementations, or testing of innovative digital tools	Small companies often develop following a startup model, where the priority is decision-making speed, precision, and accuracy. Therefore, small business owners select only the necessary and applied software tailored to specific business tasks.

Source: compiled by authors based on Aleksieienko et al. (2020); Devterov et al. (2024); Hurzhyi et al. (2022)

Creating marketplaces on Instagram and other social media platforms, implementing effective management systems, developing an online presence, and automating business processes enable small and medium-sized enterprises (SMEs) to enhance their competitiveness and expand their market reach. As a result, the development of SMEs today is closely tied to the adoption of digitalisation tools, particularly given the vast array of social networks available (Kaldygozova, 2022; Kuczabski et al., 2023; Sapiński, 2022).

However, it is impractical for marketers to study every social network, as many need a sufficiently large audience to serve as viable tools for business promotion. Consequently, social media professionals focus primarily

on platforms most popular and widely used by consumers.

A social network is an internet-based platform that facilitates communication, information exchange, and various forms of social interaction among users (Abbasi et al., 2020; Akter & Sultana, 2020; Cherniaieva et al., 2023). Modern trends in social media marketing have a significant impact on brand strategies (Oklander, Panchenko, Pavlishyna, Larina, & Boiko, 2024). In the early stages of their development, social networks were primarily seen as mediums for communication between individuals with shared interests. However, as their popularity and user base expanded, businesses began to recognise the potential of social networks as an effective tool for engaging with consumers. Today, social media platforms have become

powerful instruments for marketing campaigns and attracting new customers. They are now an integral component of client acquisition and retention business strategies.

One key advantage of social media is the ability to create and disseminate content that draws attention to products and services. With their large user base, platforms such as Facebook, Instagram, LinkedIn, and Twitter offer businesses the ability to reach a broad audience and increase brand awareness through advertising campaigns (Ionescu et al., 2023; Zrybnieva et al., 2023; Lucato et al., 2019).

Another benefit of social media is the capacity to build online communities around a company's brand (Bertoni et al., 2019; Rodinova et al., 2024; Yalcin et al., 2022). These communities allow businesses to engage with their customers directly and receive valuable feedback, which can, in turn, inform more effective marketing strategies.

Additionally, social media serves as a platform for direct sales and customer interaction. Many companies now offer their products and services through social media marketplaces, such as Facebook Marketplace and Instagram Shop, which simplify purchasing and enhance customer convenience. By leveraging social media, companies can improve their market presence and brand image and reduce the costs associated with product and service promotion.

Given the significance of analysing Instagram's role in contemporary marketing, this study seeks to summarise current trends in using Instagram as a marketing tool for SMEs.

## **Methodology**

### **Data Design**

The paper focuses on analysing the opportunities that social media, particularly Instagram, offer to modern small and medium-sized enterprises (SMEs) regarding product promotion and brand image formation, whether for a business newly entering the market or already established.

For Ukrainian businesses, the development of online commerce has become especially relevant under martial law conditions and the associated challenges of organising physical points of sale.

The study draws upon the works of prominent Ukrainian and international scholars, focusing on literature from the past five years to provide an up-to-date perspective on the subject. The sources for this research were selected from major databases such as Web of Science and Scopus.

Impartiality in the selection of sources was achieved by selecting sources from different countries of publication and focusing on keywords rather than authors. The keywords used were social media, product promotion, marketing, etc. It is important to note that both databases are widely recognised as the most authoritative, allowing for the selection of literature on a broad range of scientific issues. The focus was on academic publications from the past five years to ensure the relevance of the material used, as the fields of digitalisation and product promotion through social media are highly dynamic and require the analysis of the most up-to-date scientific foundations. Furthermore, for a comprehensive analysis, both domestic and international literature were considered to obtain an objective result and to examine the experience of developing marketing strategies for promoting products through social networks in different countries.

Literary sources were selected based on their relevance. Attention was focused on sources from the last five years to take into account current trends in the development of sales through social media.

A survey of small and medium-sized businesses that promote their products through social media was also used to determine the length of time they have been working with social media and the potential for return on investment from using this product promotion tool.

Based on a systematic review and analysis of the scientific literature, the groups interested in this research were identified, including marketers, SMM specialists, economists, business managers and owners, financial directors, and technical specialists.



## Data Selection

During the research process and the selection of academic sources, the timeframe for database searches was set from January 2019 to October 2024 to reflect better the continuity and comprehensiveness of the research conducted over the past five years. It is also worth noting that input from practitioners directly involved in product promotion through social networks, especially Instagram, was considered crucial given the rapid changes in social media.

In total, 110 sources of scientific literature were selected for the study. However, for various reasons (inconsistency of the research object, duplication, narrow specialisation of certain studies), 61 sources were retained for direct use in the study, fully meeting the requirements for sources for the study established above. In the selected scientific sources, the emphasis was placed on those publications that mainly relate to the development of small and medium-sized businesses through the use of social media, in particular, Instagram.

During the study, correlation and regression analysis were used to identify the relationship between the activity of SMM specialists and the growth in the number of subscribers. The correlation and regression model was built to determine the relationship between the length of time spent on Instagram by an SMM specialist, the number of posts published, and the growth in the number of followers per page.

## Data Analysis

The initial phase of the research revealed a strong correlation between the development of digital technologies and Ukraine's economic progress during martial law and the post-war recovery period. This conclusion was derived through a comprehensive analysis of relevant scientific literature, employing analysis, synthesis, and generalization methods. It was established that the digitalization of small and medium-sized enterprises (SMEs) and the incorporation of digital marketing strategies will become increasingly central.

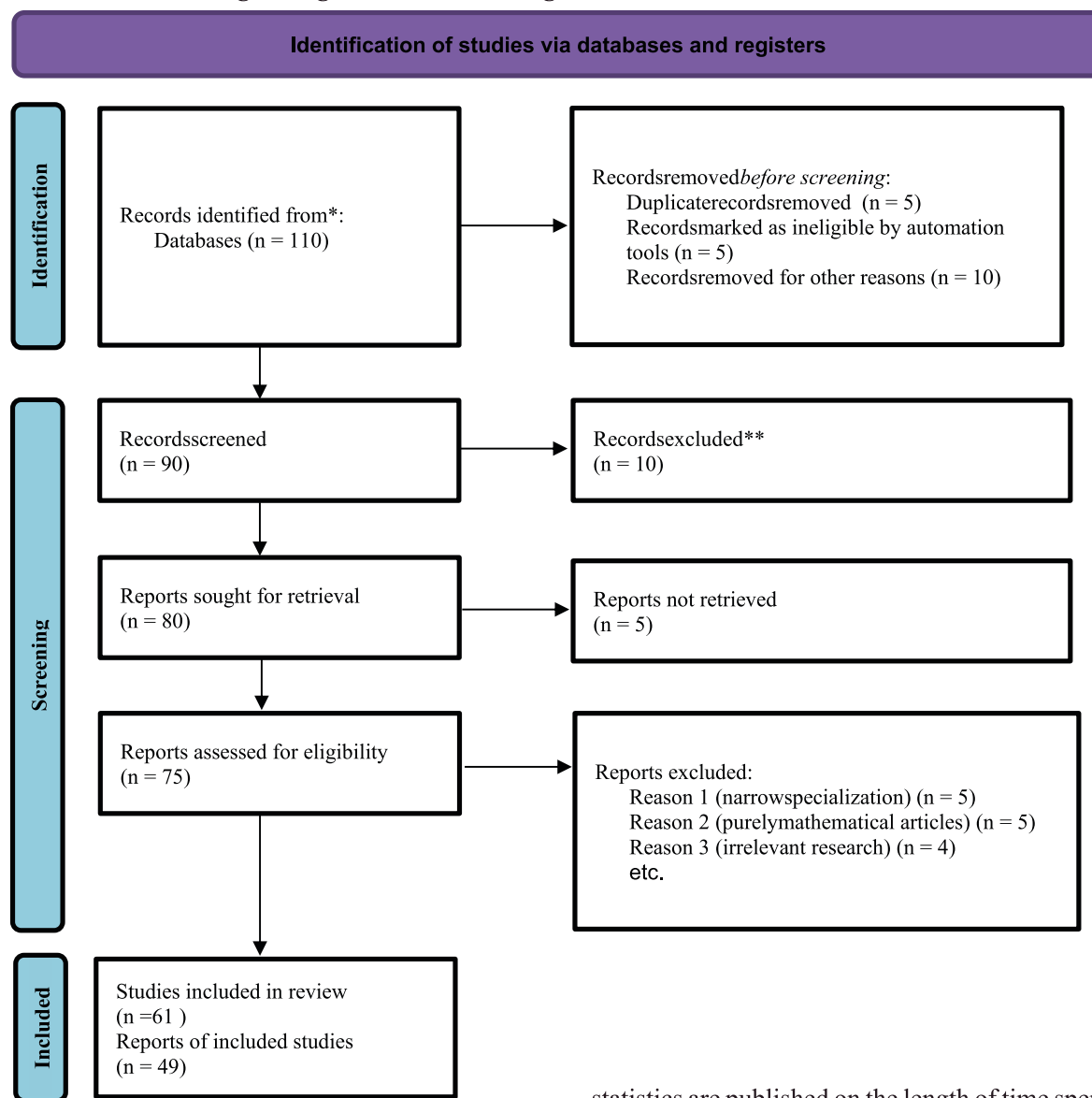
The study also involved analyzing statistical data on social media usage worldwide. Based on a review of the academic literature and the researchers' findings, recommendations were formulated for developing and implementing social media marketing (SMM) strategies aimed at product promotion.

The research hypothesis posited that the activity of SMM specialists directly influences the size of an audience and the number of potential product buyers. This hypothesis was tested through correlation regression analysis, which served as the primary method of investigation. The analysis identified a significant relationship between the efforts of SMM specialists—measured by time spent on Instagram and the number of posts published—and the growth in followers on a given page. This analysis provides a foundation for developing a product promotion system for SMEs through social media.

The constructed model's statistical evaluation confirmed its significance, thereby validating the hypothesis that increased follower growth is positively correlated with the SMM specialist's activity.

Accordingly, the correlation and regression analysis revealed a close relationship between the studied variables, confirmed by the value of the correlation coefficient  $R$ , which is 98.72, corresponding to the reliability and proof of the hypothesis by 98.72%.

To conduct the study, we surveyed SMM specialists using a questionnaire that asked about the length of time and number of posts published on social media. The survey was completely anonymous, which allowed us to ensure compliance with ethical standards and obtain an unbiased result. According to the above description of the scientific research methodology, scientific sources were selected to achieve the article's purpose according to the algorithm shown in Fig. 2.

**Fig. 2. Algorithm for selecting scientific sources for research**

### Limitations of the study

Despite the possibility of using a significant number of sources for the study, certain limitations should be considered. In particular, the limitations include the need for more publicly available data confirming the effectiveness of using social media to promote the products of small and medium-sized enterprises. It should also be noted that there are limitations related to the compilation and use of statistical material on the activity of small and medium-sized businesses directly on Instagram, and no

statistics are published on the length of time spent by SMM specialists on social media.

### Results

Entrepreneurship refers to independent activities based on risk carried out by individuals who have undergone state registration by law and aim at generating profit from the use of property, production, or the sale of goods (provision of services or execution of works). Small and medium-sized enterprises (SMEs) are characterised by their flexibility and adaptability to external and internal development factors. This quality is particularly vital in

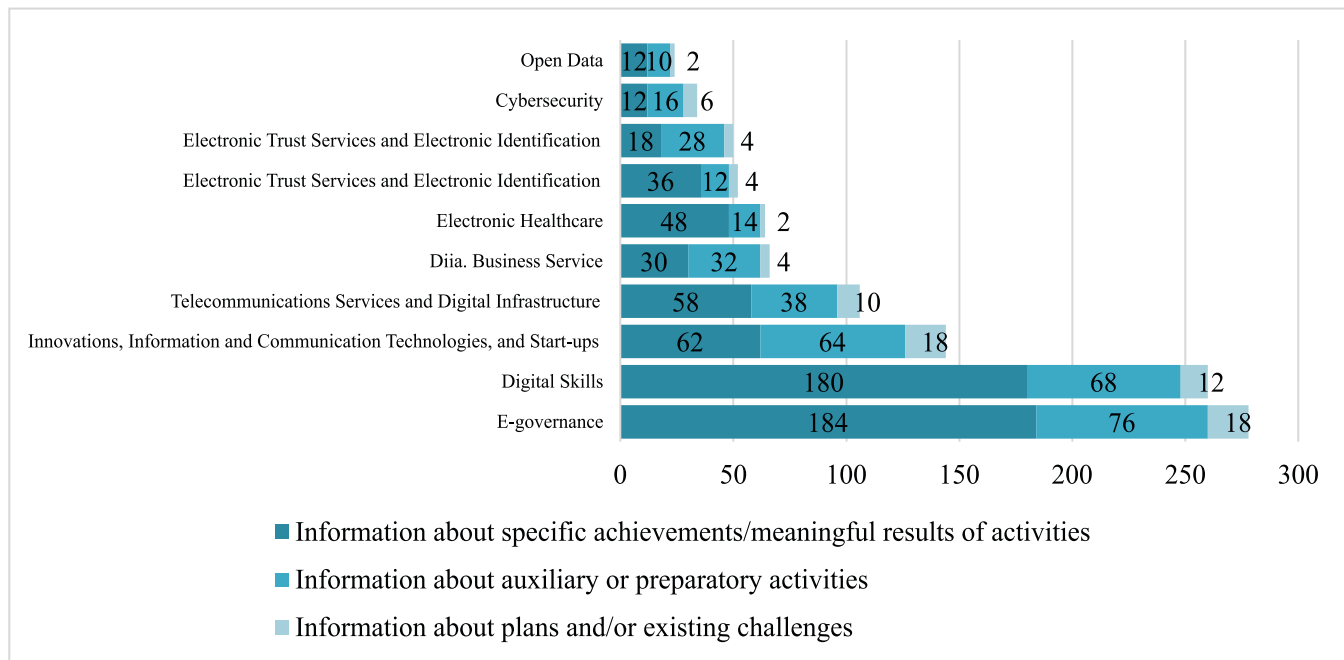
times of economic instability. One critical factor influencing SMEs is integrating digital tools into their development processes. The digitalisation of business operations has become a strategic priority for the Ukrainian economy, gaining heightened significance during the COVID-19 pandemic. Under the current martial law conditions, the Ukrainian economy increasingly requires innovative tools that enable businesses to adapt to a volatile external environment and maintain operational resilience.

The Ukrainian government remains crucially focused on digital transformation. The transition to online public

services and the digitalisation of processes are integral components of the Association Agreement between Ukraine and the European Union, the State Regional Development Strategy, the Economic Strategy, and various ministerial action plans. These comprehensive efforts aim to significantly streamline communication and interactions among citizens, the state, and businesses.

For example, Figure 3 presents the distribution of publications on the Ministry of Digital Transformation of Ukraine's official website, categorised by the nature of information related to the ministry's activities (quantitative data).

**Figure 3. Distribution of Publications on the Official Website of the Ministry of Digital Transformation of Ukraine by the Nature of Information Relating to the Ministry's Performance (Quantitative Data).**



Source: Compiled by authors Based on Vainola (2024)

As depicted in Figure 1, the Ministry of Digital Transformation of Ukraine emphasizes the cultivation of digital competencies across diverse economic sectors and the effective integration of advanced digital technologies. This prioritization underscores the government's strategic focus on fostering digital capabilities and innovation at all levels of business operations.

The digital landscape, mainly through social media, presents distinctive opportunities for reconnecting with

previous acquaintances, forging new relationships, and broadening one's social network. These digital platforms serve as communication tools and significant catalysts for establishing novel social connections, providing a virtual environment conducive to global interaction and transcending temporal and geographic constraints. Moreover, social media platforms play a pivotal role in sustaining existing relationships.

Currently, there are approximately 4.2 billion social media

users worldwide. In 2023 alone, the user base expanded by 490 million, reflecting an annual growth rate exceeding 13%. By 2021, 53.6% of the global population will actively use social media.

A notable trend in social media is its escalating role as a primary source of information about brands, products, and services. Research indicates that approximately 45% of internet users worldwide utilize social media networks to seek information regarding potential purchases (Ostropolska et al., 2021). This figure is similarly observed among Ukrainian users, where 42% engage in product or service inquiries via social networks (Ihnatenko, 2022; Martin et al., 2022; Oneshko et al., 2021).

Usage patterns reveal that most individuals primarily use social media to communicate with family and friends (47%). Other motivations include leisure activities (35.4%), consumption of news and narratives (34.6%), and pursuit of specific content (30%). Additionally, 28.7% of users leverage social networks to stay informed about current global events, while 27% seek inspiration for both purchases and projects, and 26.2% utilize these platforms for product searches and acquisitions (Popelo et al., 2021; Cai et al., 2022).

In light of the considerable user engagement on social media, organizations—especially small and medium-sized enterprises (SMEs)—should develop their marketing

strategies based on social media marketing (SMM) and related promotional activities.

From a business perspective, an internet marketing strategy serves as a pivotal instrument for organizations to curtail expenditures associated with ineffective marketing endeavours while simultaneously enhancing revenue streams by reallocating resources towards more financially successful marketing modalities (Bera et al., 2021; Buss et al., 2021; Kulkarni et al., 2021).

For SMEs that aim to amplify their product visibility through platforms like Instagram, it is essential to establish mechanisms that facilitate follower growth and sales increases through the proactive engagement of an SMM specialist.

To rigorously investigate this hypothesis, it is imperative to analyze the correlation between the activities of an SMM specialist, quantified by the time dedicated to Instagram, the volume of posts published, and the resultant growth in follower count. This analysis can be operationalized by constructing a correlation-regression model that elucidates the strength of the relationships among the variables above. It is critical to emphasize that only productive engagement time on Instagram and high-quality posts are considered in this analysis. The data necessary for this model is derived from the operational activities of BonaMente, a Ukrainian shoe-manufacturing enterprise, as detailed in Table 2.

**Table 2. Source Data for Building a Correlation-Regression Model of the Relationship Between SMM Specialist Activity and Growth in Page Followers**

Period	Duration of time spent on Instagram by the SMM specialist, hours (independent variable)	Number of posts published, units (independent variable)	Growth in page followers, individuals (dependent variable)
January 2024	73	96	24
February 2024	72	85	20
March 2024	78	87	27
April 2024	80	97	31
May 2024	83	114	42
June 2024	85	123	42

Source: compiled by authors based on own research.



The results of constructing the correlation matrix are shown in Fig. 4.

**Fig. 4. The results of building a correlation matrix using a correlation-regression model of the dependence of the SMM specialist's activity and the increase in subscribers to the page**

	1 Duration of time spent on Instagram by the SMM specialist, hours (independent variable)	2 Number of published posts, units (independent variable)	3 Increase in the number of followers on the page, individuals (dependent variable)
January 2024	73	90	20
February 2024	72	85	20
March 2024	78	87	27
April 2024	80	97	31
May 2024	83	114	42
June 2024	85	123	42

Regression Summary for Dependent Variable: Increase in the number of followers on the page, individuals (Spreadsheet)					
Regression Summary for Dependent Variable: Increase in the number of followers on the page, individuals F(2,3)=57.488 p<.00406 Std Error of estimate: 1.3647					
	B <sup>a</sup>	Std. Err. of B <sup>a</sup>	t	Std. Err. of t	p-value
Intercept					
Duration of time spent on Instagram by the SMM specialist, hours (independent variable)	0.943752	0.070648	1.333	0.03014	0.00000
Number of published posts, units (independent variable)	0.423490	0.070648	0.599	0.10453	0.00000

Source: compiled by authors

The data presented in Figure 2 elucidates a robust correlation between the selected variables, as evidenced by a multiple correlation coefficient (R) of 0.987. This figure indicates a remarkably high strength of association, with 98.7% reflecting the substantial influence of the activities of Social Media Marketing (SMM) specialists as a critical factor in promoting small and medium-sized enterprises within social media environments, particularly on the Instagram platform.

Considering the findings derived from the correlation-regression model, it becomes imperative to incorporate forecasts for each marketing channel and tool within the overarching marketing strategy. Furthermore, it is essential to delineate the conditions and criteria for assessing marketing channels based on their demonstrable success or failure.

Adopting this methodological approach facilitates timely interventions for strategies exhibiting suboptimal performance and enables the reallocation of budgets away from ineffective tools. Moreover, it mitigates the risks associated with decision-making predicated on mere expectations. This framework fosters a data-driven culture among marketing participants, emphasizing the importance of empirical evidence over emotional judgments when appraising the efficacy of marketing strategies.

## Discussion

As discussed in the academic literature, current trends in product promotion through social networks present certain contradictions that merit separate attention and examination. Adopting digital technologies in market promotion is viewed as a continuing global trend towards digitalizing economic activities and virtually all aspects of society (Ardito et al., 2021; Levchenko et al., 2022; Li et al., 2021). This perspective is hard to dispute; hence, increasing emphasis is placed on integrating digital technologies across various spheres of business and social development in the contemporary world.

The issue of digitalization is attracting more and more attention from the scientific community, and it is moving from the field of view of technical specialists to the sphere of interest of economists, sociologists, financiers and others (Sukunesan et al., 2020; Kadir et al., 2023; Gbandi & Iyamu, 2022). Accordingly, it should be added to the opinion of these scholars that digitalization today is not only a matter of technology but also a matter of ensuring economic development. Digitalization is the introduction of the latest IT technologies into the existing business management model, optimizing processes and scaling development directions.

Any company can be considered digitalized if it has specific characteristics, including the following: uses a variety of data processing tools (Lin, 2021; Liu et al., 2022; Fakhreldin et al., 2023); has a set up local or cloud-based structure for information exchange and storage (Triwardhani et al., 2023; Modak et al., 2024); implements modern IT solutions and equipment (Saputra et al., 2024); uses specialized software to automate production processes, supplies, and sales (Triwardhani et al., 2023). However, based on the study, digitalization is a broader concept and should primarily bring positive economic effects to businesses to prove its effectiveness.

Automation and computerization of the workplace can also be considered digitalization tools (Saputra et al., 2024; Maulidian et al., 2023; Minova, 2024). Accordingly, we can agree with this opinion and add that in today's conditions, the traditional workplace equipment, including computer and office equipment, is no longer enough. There must be mobility, the ability to work remotely, quickly exchange information with colleagues, and automate routines. Companies are integrating virtual assistants into the internal structure, corporate messengers, and process automation software to improve employee productivity.

The pandemic has significantly boosted small businesses in implementing various digital technologies (Tajpour et al., 2023). Many companies have significantly increased their sales and improved their competitive position using e-commerce, and a new format of companies without a physical location has emerged to serve customers. Thus, one of the most influential trends in digitalization is the creation of digital channels for receiving orders. Accordingly, in furtherance of this idea, digitalization processes include a website, a mobile application, chatbots for taking orders, etc. These tools are also actively used by business representatives focused on baking bread, including full-service bakeries. Modern small businesses' information services allow them to adapt to new work formats quickly, retain their audience, and remain competitive. This approach gives the company resilience and flexibility in rapid progress and changing external circumstances. Simultaneously, the role of digital marketing in the construction of modern business processes

(Arora et al., 2022; Ashraf et al., 2020; Pan et al., 2022) is recognized as one of the most significant and defining factors. This is because modern marketing, based on innovative information technologies, can ensure high effectiveness and efficiency in the employed marketing tools. It should also be noted that marketing in today's world increasingly relies on social networks, where their development and proliferation become fundamental directions for the digitalization of product and service promotion processes, particularly for small and medium-sized enterprises.

Overall, digitalization fundamentally reshapes the structural framework of modern small and medium-sized enterprises. The tools implemented for digitalization eliminate ineffective business processes, reduce unnecessary intermediaries, lower service costs, and expedite service delivery, thus minimizing expenses and reducing human error. The literature extensively presents views regarding the peculiarities and specificities of using various digital technologies and tools. Among the most prevalent approaches to digitalising business is the incorporation of artificial intelligence (Petrescu et al., 2021; Saura et al., 2021) and neural networks (Oneshko et al., 2021) for specific business tasks, which can, in turn, be integrated into systems for promoting products via social networks. For instance, artificial intelligence is employed to create optimal Instagram content tailored to each target audience, depending on age, social status, and other factors. However, scholars (Schuh et al., 2020) also highlight that this tool can be unjustifiably expensive and may yield satisfactory results if correctly configured.

Another avenue of digitalisation in product promotion through Instagram involves the utilisation of e-commerce on trading platforms within the social network, with integrated modules for personalised marketing, online order content uploading 24/7, and other functionalities of PIM systems (Hurzhyi et al., 2022). However, such order management tools are justifiable primarily for network businesses or large manufacturers, while they may be disproportionately expensive for small enterprises.

Some researchers (Aleksieienko et al., 2020) emphasise the necessity of applying detailed analytics for the astute use of

data, aiming to enhance the quality of products and services in terms of convenience of access, use, and delivery and to render services client-oriented, thereby increasing loyalty, segmenting audiences, and fostering flexibility. Additionally, the literature (Kaldygozova, 2024) supports the notion that without digital technologies, changes are more challenging, costlier, and time-consuming, which is entirely logical, as digital technologies facilitate feedback collection. The identification of clients' desired changes in product or service systems.

In general, digital transformation occurs at the level of content creation for social networks, employing highly specialised services and programmes that can be tailored to specific businesses and their characteristics, which may also consider the development of internal management systems. The question of delineating the boundary between adapting existing software to the particularities of a specific business and developing specialised software products for that business remains contentious.

In discussions regarding the implementation of digital technologies, most researchers (Bertoni et al., 2019; Krylov et al., 2022) also emphasise data protection as a critical challenge for companies collecting client data on social networks. Ongoing debates centre on the extent to which companies can utilise data and where the ethical boundaries lie concerning using and processing information about individual clients.

An analytical review demonstrating the prevalence of numerous contentious issues in promoting products and services on social networks confirms the academic community's significant attention to digitalisation questions. It underscores the relevance of all aspects of digital transformation in modern business. This is aimed at activating sales processes through the use of Instagram and other social networks, which today serve as venues for communication and news exchange and as comprehensive platforms for promoting goods and services.

## Conclusion

From an academic perspective, an effective Internet marketing strategy enables organizations to strategically allocate their limited resources toward tools with the

highest potential for achieving desired outcomes. In the context of Social Media Marketing (SMM) utilizing Instagram, it is imperative to leverage the most efficacious tools.

Most of the work with Instagram and the promotion of goods through this social network is carried out by a social media marketing specialist who ensures correct, complete and timely posting of information about the company and its products on social networks and generates content that will ensure maximum user attention to the company and its products. In turn, the study proved that the activity of an SMM specialist, namely the length of time he or she works online and the number of employees, directly affects the number of subscribers and, accordingly, the potential growth in product sales.

One key area of product promotion through social media is targeted advertising. Targeted advertising encompasses delivering textual and visual content to a carefully defined audience, selected based on geographical location, age, gender, and additional demographic factors. It is advisable to entrust the configuration of such advertising campaigns to specialists with expertise in the field. Novice marketers may need help to optimize campaign settings effectively, potentially resulting in inefficient budget expenditures and suboptimal reach.

Cooperation with influencers is another area of product promotion via social media, particularly Instagram. Organizations may partner with influencers, including bloggers and prominent media figures, to enhance follower acquisition. Identifying suitable partners can be facilitated through specialized directories and hashtag analyses related to pertinent topics, alongside consideration of geographical location and the qualitative aspects of the influencer's profile. It is prudent to refrain from collaborations with influencers with a negligible number of authentic followers, as such associations will likely yield minimal return on investment.

Advertising through widespread public and thematic groups can be one of the most effective tools for expanding the audience of subscribers. Another strategy involves placing promotional content within established social media groups or communities with significant followers.



This technique enables businesses to effectively introduce their brand or products to a broad audience engaged within a thematic context. Marketers can enhance their visibility and credibility by embedding promotional efforts in well-recognized communities.

With the consistent and balanced implementation of various SMM tools, small and medium-sized businesses can positively influence the size of their target audience and increase the reach of potential consumers with their posts on social media. In conclusion, social media platforms, with a particular emphasis on Instagram, offer an optimal environment for forging trusting relationships with the target audience, fostering potential customer engagement, enhancing brand awareness, and expanding the overall demographic reach. Users benefit from receiving valuable and engaging content, while companies can utilize SMM tools to facilitate meaningful interactions. This multifaceted approach is advantageous for brands aiming to optimize outreach and engagement strategies within competitive markets, ensuring cost-effectiveness and impactful connections with their audience.

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